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NOTE

Effective October 1, 1977 the Department of Energy was established. All the responsibilities of the Energy Research and Development Administration (ERDA), the Federal Energy Administration (FEA), and the Federal Power Commission (FPC) were transferred to the Department of Energy.

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June 9, 1977

CENTRAL INTELLIGENCE AGENCY
DIRECTORATE OF INTELLIGENCE

MEMORANDUM

SUBJECT: Soviet Attitudes Towards the North-South Dialogue

The following provides a perspective on Soviet attitudes towards the North-South dialogue and comments on the implications of an expanded Soviet role in that process.

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The Soviets do have a long record of interest in the so-called "North-South dialogue," dating back to before the first UN Conference on Trade and Development in 1974. Their support of LDC development programs has remained exclusively rhetorical, however, except in those cases where bilateral Soviet interests have dictated major aid efforts, as in Egypt.

Soviet participation in the series of UN meetings since 1973 that have dealt with developing country demands for a "New International Economic Order" (NIEO) has been especially prefuntory. The LDCs have explicitly identified the Soviet Union and some of the other communist industrialized states as part of the North, and have made specific demands for increased aid and concessions on the NIEO. In reaction Moscow has sought to maintain a low profile in the UN and made no effort to participate in any aspect of the recently concluded Conference on International Economic Cooperation. The Soviets reject out of hand the contention that they should increase

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their contribution to LDC development, placing the blame for the LDCs' economic condition on Western colonialism and exploitation by multinational corporations. Another cause for the low Soviet profile in North-South meetings is the repeated attacks by the Chinese on Moscow's policy toward the Third World. Bitter exchanges between Soviet and Chinese delegates to virtually every UN economic meeting has become standard fare. In addition, while Soviet analyses stress that the North-South dialogue is but an extension of the basic East-West rivalry, Soviet leaders are bound to be dismayed over the degree to which this view is not shared by most LDC spokesmen.

The US has recently raised the question of increased Soviet participation in the North-South dialogue. In his address to last week's Conference on International Economic Cooperation Secretary Vance stated: "We believe the industrialized communist states should increase their development assistance. We are prepared to join with them in such assistance, when and where they are willing to do it."

From the Soviet perspective, any further expansion of its role in the North-South dialogue would probably have to (a) be consistent with its image of itself (i.e., that the Soviet Union is not part of that part of the North responsible for the LDCs' current plight); (b) reduce vulnerability to pressures by LDC's for greater contributions to multilateral development assistance institutions; and (c) help to consolidate Soviet economic, political, and strategic gains in the Third World.

From the US perspective, encouraging a greater Soviet role in the North-South dialogue (a) would probably complicate North-South negotiations (although Moscow in some cases would probably find it necessary to support the position of other industrialized countries); (b) contribute to making agreement on a united front among the OECD countries on North-South issues more difficult; and (c) possibly precipitate a more active role on the part of China at UNCTAD. Weighed against these potential costs, there is the argument that no practical solution to the issue of stabilizing commodity prices or of managing such global problems as energy and food scarcities could exclude the Soviet Union.

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